

Clabour Exchange & Co.  
**HOLLY SPRINGS GAZETTE.**

"VERITAS NIHIL VERETUR, NISI AESCONDI."

BY THOS. A. FALCONER.

THURSDAY, SEPT. 16, 1841.

VOLUME I---NUMBER 8.

TO— [From the Anti-Bank Republican.  
WHO GAVE ME A ROSE BUD.  
BY ROBERT JOSSELYN, ESQ.

Thine, gentle maiden, to command:  
My heart grows warmer, as I take  
The tender rosebud from thy hand,  
To cherish for thy sake;  
And doubly dear the gift shall be,  
As emblematical of thee.

For not unlike this fragrant flower,  
The loveliest of all that bloom,  
Art thou in girlhood's sunny hour,  
Just budding—and for whom?  
Ahl! happiest of mortals he,  
For whom the full bloom rose shall bel!

Thy mild blue eyes, thy soft brown hair,  
In ringlets clustering round thy neck  
And bosom, as the lily fair,  
Thy lips which might the coral deck  
Thy placid brow and changing cheek,  
How eloquently do they speak:

Beauty and innocence combined!  
Graceful in attitude and form,  
A pure and unaffected mind,  
A heart with love and friendship warm,  
Thine, thine should be a fairy life,  
The peerless girl, the matchless wife—  
Holly Springs Miss.

Letter of Instruction to Commissioners to sell State Bonds.  
To James C. Wilkins, Edward C. Wilkinson  
and William M. Pinckard, Esqrs.—

Gentlemen: You are charged by the directors of the Mississippi Union Bank with the negotiation and sale of five millions of the State bonds, and it is their wish that you should without delay, proceed to such market in the United States or Europe as will enable you best to accomplish that object. You are furnished with extracts of the minutes of the board and duly authenticated powers of attorney, ratifying and confirming what you may do in the premises.

The power of attorney is general, leaving as much to your discretion as the charter seemed to authorize, by which in connection with powers delegated by the board of directors you are to be governed, taking care that in no instance you transcend the chartered privileges of the corporation.

This is, in the opinion of the directors, the most auspicious moment for the sale of the State stock, and they are therefore solicitous that you give it your earliest attention.

In the absence of much information, which you will be enabled to procure when in market, the directors confide to your discretion, the best sale you can make for the institution, so that such sale shall not be less than par valuation estimated by the currency of the State. It is desirable that you should procure as much specie in the transaction as can be obtained, to be placed in the vaults of the bank, and the balance in funds to be checked for by the bank at pleasure.

There are many cogent reasons to be urged favorable to the sale of our bonds. The fact that the State of Mississippi is by far the largest cotton growing State in the Union, consequently furnishing a very considerable portion of exportable products, essential to the wholesome state of commerce between this and other countries, is a reason that may be urged, with much emphasis, why the bonds of Mississippi should be valued higher than those of any other State in market. It is esteemed a matter of importance that the nature and character of the charter should be properly represented.

In most cases it is the practice of Legislatures to pledge the faith of the State by an ordinary act of legislation. Ours is one of different character. It is not the result of premature legislation, but has been passed by two successive Legislatures and the immediate approbation of the people, in their primary capacity, had, agreeable to the injunctions of our constitution; and, withal, the bonds of the State of Mississippi are doubly secured. In addition to the guarantee of the State they are secured by mortgage on the finest cotton-growing estates in the Union. It is sufficient in itself to secure confidence in the ability of the bank to redeem the State bonds, that the capital stock is based on the most productive cotton growing estates of Mississippi, yielding per annum, from three hundred and fifty to four hundred thousand bales of cotton; which, exclusive of all other profitable products of the soil, will yield a revenue of from fifteen to twenty million of dollars yearly, a sum more than sufficient to redeem the entire amount of the bonds in any one year and the revenue accruing in most cases will be coming to those immediately connected with this institution, and whose interest it will be to replenish her vaults with specie whenever it may be rendered necessary.

The article of cotton, as before remarked being the essential commodity employed in commercial operations, and which being essential to the manufacturer as to the grower cannot fail, in the opinion of the directors, when properly urged, to make a favorable impression on the market.

You are authorized to make the payment of the principal and interest of the bonds at such place or places as will best enable you to make an advantageous sale.

If it should be urged as an objection to our bonds, that Mississippi is at this time laboring under pecuniary embarrassments; such objection may be easily removed by a fair representation of facts touching her true condition, that such embarrassment is temporary. No one can doubt, on reference to the statistical information of the State, herewith handed you—it will appear that, notwithstanding a foreign debt exists, it will be seen that during the period which it has been accumulating, the wealth, and individual resources have increased in a ten-fold proportion.

Since 1830 there has been sold to individuals within the State 17,573,712 acres of public lands which, estimated at the reduced rate of \$10 per acre, amounts to \$115,737,120; and during the same period the increase of slave population is 98,834; estimated at \$500 per slave, amounts to \$49,417,100. Then it appears, that during this period the accumulation of individual wealth, on those two items, is equal to \$165,154,120, from which, if we deduct the amount of foreign

debt, at the large estimate of \$10,000,000, leaves a balance of net profit to the citizens of Mississippi of \$155,154,120 during the term of seven years, equal to the accumulation of \$22,164,874 per annum. Then it is clear that the embarrassment of the citizens of Mississippi is temporary, and ideal, growing out of the commercial derangements of the country and the subsequent loss of confidence which, under ordinary circumstances, would not have been felt. The government of Mississippi is less embarrassed than that of any other State in the Union, heretofore the amount for which her faith was pledged is \$2,000,000 in the bonds of the Planters bank, which institution has more than ample means to redeem as appears from the account handed you herewith.

If all efforts should fail in making a sale of the bonds you are authorized to hypothecate them for a portion of specie funds, so as to enable the bank to commence her operations on safe and sound principles, for the relief of the country, so that you do not pay for such loan a higher rate of interest than six per cent, per annum.

It is understood by the directors that the specie standard as the term is used in your power of attorney and instructions is intended to mean current money of the United States.

With regard to the disposition of such funds as you may be enabled to procure, to have shipped in specie, to be placed in the vaults of the bank, such portion as you may be enabled to procure and deem necessary for the establishment, and the balance place in deposit at such place as may be most advantageous to the bank in checking for the same.

You are authorized, if it should become necessary, in defraying your necessary expenses, as commissioners in the service of this bank, to negotiate a loan in the city of New York or elsewhere, on behalf of the bank, for such amount as may be necessary.

In conclusion, you are required to keep the board regular, advised of your proceedings.

Gentlemen, with, &c. &c.

(Signed, H. G. RUNNELS, Pres't.

Letter from Commissioners to N. Biddle.  
PHILADELPHIA, May 16, 1838.

MR. N. BIDDLE:

Dear Sir—We beg leave to trespass on your time so far as to inform you, that by the statute of the Legislature of Mississippi, we are authorized to dispose of bonds of the State, amounting to fifteen million five hundred thousand dollars; that there are now in the market five millions of them; that they carry interest at the rate of five per cent per annum; and are payable in twelve and twenty years, at any place we may designate. By virtue of this authority, we offer, through you, to the directors of the United States bank of Pennsylvania the following proposition: the above amount of five million, payable at any house in London or Liverpool, or at any place you may designate, in sterling money, at the rate of four shillings and six pence to the dollar, the interest payable in the same, and semi-annually. The bonds to be paid for in five instalments, equal in amount; the first on the first day of November, and the others in periods of sixty days each, successively; say on the first day of November, January, March, May and July next. The purchaser to have the option, either in the whole or in part, as to the places of payment, of the cities of New-York, Philadelphia and New Orleans and not exceeding five hundred thousand dollars in Louisville, Ky. if preferred by them. The purchaser to have the option of paying the last instalment in the city of Natchez, or either of the above mentioned places, except Louisville. The above is an outline of the proposition we ask leave to submit. Should Mr. Biddle be inclined to accept it, the details to be explained in conversation.

We are authorized to hypothecate the bonds at the rate of interest not exceeding six per cent. per annum; and we are willing to do so, if we cannot sell for a period not less than two years upon terms which could be made known at an interview.

We have the honor to be with considerations, high respect, &c. &c. your ob't serv'ts.

E. C. WILKINSON, } Comm'rs.  
J. C. WILKINSON }

Answer.  
PHILADELPHIA, Aug. 6, 1837.

Messrs. E. C. WILKINSON, and }  
JAMES E. WILKINS, } Commissioners,

Gentlemen—I have had the honor of receiving this morning your letter of this date, proposing the sale of five million of dollars of the bonds of the State of Mississippi. I regret that the necessity of going to New York early to-morrow morning, will prevent my having the pleasure of seeing you—but understanding that it would be agreeable to you to receive an immediate answer, I now state:

That I accept the offer of the bonds on the terms mentioned in your letter, and am prepared to carry the contract into effect forthwith.

I have the honor to be,

Very respectfully, yours,

N. BIDDLE.

Contract of sale of State Bonds, between Commissioner's and N. Biddle.

This agreement witnesseth. That we, the undersigned, commissioners of the State of Mississippi, and attorneys in fact, of the Mississippi Union bank, for and in consideration of the amount and payments hereinafter specified, of five million of dollars, by Nicholas Biddle, of the city of Philadelphia, to be made to us at the several times and places mentioned below, and by virtue of the power and authority in us vested by the statutes of the Legislature of the State of Mississippi, and the letters of attorney of the said Mississippi Union bank, (which said statutes and power of attorney are taken as part of this agreement as if therein inserted,) have sold and delivered to the said Nicholas Biddle, two thousand five hundred bonds of the State of Mississippi for the sum of two thousand dollars each, amounting together to the sum of five million of dollars, as enumerated and described in the said power of attorney; which said bonds are made payable at the agency of the bank of the United States in London, sterling money of Great Britain, at the

rate of four shillings and six pence to the dollar, with interest, payable semi-annually, at the same place and rate. And this agreement further witnesseth, that the said Nicholas Biddle, in consideration of our said sale and delivery to him of the said two thousand five hundred bonds, as aforesaid, has agreed, and hereby does agree, to pay to us, the said commissioners and attorneys, or to our successors, or to our order, the sum of five million of dollars lawful money of the United States, in five equal instalments, of one thousand eight hundred and thirty-eight, and on the first days of January, March, May, and July, which will be in the year one thousand eight hundred and thirty-nine, respectively, which said payments of one million of dollars, each, of November, January, March and May shall be made in the city of New Orleans, and the last payment of the like sum on the first day of July next, shall be made at Natchez, in the said State of Mississippi. In witness whereof, we, the said commissioners and attorneys, and the said Nicholas Biddle, have executed and exchanged this agreement, this eighteenth day of August, in the year of our Lord eighteen hundred and thirty-eight.

The bank of the United States guarantees the punctual performance of the foregoing contract.

For the Cashier:

G. DUNLAP, 2d Assistant Cashier.

August 18th, 1838.

To the Governor of the State of Mississippi.—The undersigned, as trustees for the holders of debentures of the Bank of the United States at Philadelphia on deposit of American State Stocks, and amongst others of a considerable amount of the bonds of the State of Mississippi, bearing five per cent interest, issued through the Union Bank of Mississippi, and made payable at the agency of the United States of Pa., in London, the principal in 1850 and 1858, and the dividends semi-annually in May and November; having been refused payment of the interest due the 1st of this month on said bonds, are compelled to address themselves to the government of the State of Mississippi; and from their confidence in the faith of that government, they feel convinced that the simple mentioning the fact of the non-payment, will be sufficient stimulus for the government of the State of Mississippi to take immediate measures for the payment of the interest now due, and which will further successively become due on those bonds, and to prevent irregularities or demur so prejudicial to the interests of American credit in general, and to that of the State of Mississippi in particular.

Amsterdam, 22d May, 1841.

EXECUTIVE DEPARTMENT,  
CITY OF JACKSON, July 13, 1841.

GENTLEMEN: I have received your letter, dated Amsterdam, 22d May, 1841, post marked Washington City, June 21st, 1841, and bearing the official frank of the Hon. Daniel Webster, Secretary of State of the United States. I have duly considered the contents thereof. These bonds were not sold in accordance with the constitution and laws of this State. They were delivered by me as escrows, to be sold at not less than their par value and for cash, as the statute of this State required. The charter of the Mississippi Union Bank prescribes not only the substance, but the form of the bonds, and provides that they shall be in the sum of two thousand dollars each, "which sum the said State of Mississippi promises to pay in current money of the United States," to the order of the bank, with interest at the rate of five per cent, per annum, payable half-yearly, at the place named in the endorsement of the bonds.—The act further provides that said bonds shall not be sold under their par value." The bonds having been delivered to the managers of the bank to be sold on certain conditions, the State cannot be bound for their redemption unless the terms prescribed were complied with in the sale. The constitution of the State expressly provides that no "law shall ever be passed to raise a loan of money upon the credit of the State, or to pledge the faith of the State for the payment or redemption of any loan or debt, unless such law be proposed in the Senate or House of Representatives, and be agreed to by a majority of the members of each House and entered on their journals, with the yeas and nays taken thereon, and be referred to the next succeeding legislature, and published for three months previous to the next regular election, in three newspapers of the State; and unless a majority of each branch of the legislature so elected, after such publication, shall agree to pass such law and in such case the yeas and nays shall be taken and entered on the journals of each House: Provided, that nothing in this section shall be so construed as to prevent the legislature from negotiating a further loan of one and a half million of dollars, and vesting the same in stock reserved to the State by the charter of the Planters' Bank of the State of Mississippi."

Five millions of State Bonds, dated the 5th, 6th, 7th, 8th, and 9th days of June, 1838, were sold by the commissioners appointed by the Mississippi Union Bank to Nicholas Biddle, Esq. on the 18th day of August, 1838, for five million of dollars, lawful money of the United States, payable in five equal instalments of one million of dollars each, on the first day of November, 1838, and on the first days of January, March, May and July in the year 1839, and "made payable at the Agency of the Bank of the United States in London in sterling money of Great Britain at the rate of four shillings and sixpence to the dollar, with interest payable semi-annually at the same place and rate." No authority was ever given by any act of the legislature of this State to change the currency in which said bonds were made payable. By selling the bonds on a credit, and changing them from dollars current money of the United States to Pounds Sterling of Great Britain the following sums were lost:

Interest on five million State Bonds from 7th June, 1838, to 1st Nov. 1838.

Interest on 4 millions 2 months,	\$100,000 00
Int' on 3 millions 2 months,	33,338 48
Int' on 2 millions 2 months,	24,999 96
Int' on 1 million 2 months,	16,666 64
Int' on 1 million 2 months,	8,333 32
	—\$183,333 30

Difference between five millions dollars, principal of State Bonds, in current money of the U. S. and sterling money of Great Britain at four shillings and six pence to the dollar,

Difference of interest on \$1,250,000 of State Bonds, payable in 12 years between current money of the U. S. and pounds sterling of Great Britain at four shillings and six pence to the dollar,

Difference of interest on \$3,750,000 of State Bonds, payable in twenty years between current money of the U. S. and pounds sterling of Great Britain at four shillings and six pence to the dollar,

\$1,084,781 30

From the above statement it will be perceived that one hundred and eighty three thousand, three hundred and thirty eight dollars and thirty cents, were lost by selling the five millions dollars of bonds on credit, and paying interest thereon from their respective dates, and the further sum of one hundred and one thousand three hundred and forty three dollars was lost by changing the bonds from dollars current money of the United States to pounds sterling of Great Britain. These two items amount to the enormous sum of one million eight hundred and forty seven thousand and eighty-one dollars and thirty cents. Surely such a sale cannot be binding on the State of Mississippi. The faith of the State is pledged for the payment of those

bonds only upon the condition that they were sold at not less than their par value. The State expected the full amount of those bonds to be paid into the vaults of the Mississippi Union Bank. If the full amount had been received and the currency in which they were made payable not have been changed, the bank would have been better enabled to indemnify the State.

It appears that the bonds were endorsed in blank by the officers of the bank and delivered to the Commissioners charged with their sale. Neither their power of attorney nor letter of instructions authorized those gentlemen to fill up said endorsement by making the bonds and coupons payable in pounds sterling of Great Britain at the rate of four shillings and sixpence to the dollar. If such a change had been made on the face of the bonds after their execution and delivery to the bank, the parties making the alteration would have been guilty of forgery, and could have been imprisoned in the penitentiary for the offence. It will not answer to the argument to allege that the endorsement could only bind the Mississippi Union Bank. That institution has undertaken to pay both principal and interest of the bonds. If the bank is compelled to pay the one million eighty-four thousand seven hundred and eighty-four dollars and thirty cents for the loss sustained by the credit sales of the bonds and the change in the currency in which they were made payable, her means will be reduced that amount and the risk of the State thus greatly increased. The State was willing to intrust her credit to the bank on the conditions prescribed in the charter. The faith of this government has never been pledged for the illegal and fraudulent sale of those bonds.

This is a constitutional government, and all its officers take an oath to support the constitution of the State, and faithfully to discharge the duties of their respective offices. Her Chief Magistrate is required to take care that the laws be faithfully executed. He would be recreant to his trust and violate his official oath were he to suffer the laws of the land to be trampled upon and the constitution disregarded.

The contract for the sale of the State bonds shows that the statutes of the State in relation to the bonds, were made a part of the contract. The purchaser was well aware of the conditions on which they were issued, and knew that the purchase was neither sanctioned by the constitution and laws of this State, nor of Pennsylvania. The contract was guaranteed by the Bank of the U. States. The whole of the purchase money was paid by that institution. The name of Mr. Biddle was merely used in the contract as a device, to get round that clause in the charter of the Bank of the United States, which prohibits her from dealing in State stocks. The currency in which the bonds were made payable, was changed from dollars to pounds sterling, to give false coloring to the transaction, and make it appear that the bonds were sold at par value. The commercial law of this State, relative to negotiable paper, is different from that of most other countries. The transfer of bonds and notes, does not prevent the drawer from setting up any defence against the innocent purchaser which could be available against the original payee.

The State therefore, denies all obligation to pay the Bonds held in trust by you for the following reasons:

- 1st. The Bonds were sold on a credit.
- 2d. The currency in which the Bonds were made payable, was changed from current money of the United States to pounds sterling of Great Britain, at the rate of four shillings and sixpence to the dollar.
- 3d. The contract of sale was fraudulent.
- 4th. The Bank of the United States was not authorized to make the purchase.
- 5th. The Bonds were sold at less than their par value, in violation of the charter of the Bank.

The money paid for these Bonds did not come into the State Treasury. The officers of this Government had no control over its disbursement. The Bonds were disposed of in August, 1838, by collusion and fraud, in violation of the constitution and laws of this State. The Mississippi Union Bank, and the Bank of the United States were parties to this unlawful transaction. You have the endorsement of both these institutions, and to them you must look for payment. This State never will pay the five million of dollars of State Bonds issued in June, 1838, or any portion of the interest due, or to become due thereon.

When I ascertained in January 1839, the terms on which the Bonds had been sold, I communicated the same by message to the legislature and denounced the sale as illegal. At that time only two millions of dollars had been paid on the Bonds by the Bank of the United States. By a Proclamation I subsequently issued, the sale of the second five millions of dollars of State Bonds delivered to the Mississippi Union Bank, was prevented. Absolutely refused to execute the last five and a half millions of dollars of State Bonds demanded by that institution. These decisive measures prevented the illegal disposal of ten and a half millions of dollars of State Bonds, and will convince you that the Government of this State never has countenanced, and cannot be made responsible for the fraudulent acts of the Mississippi Union Bank.

I have forwarded to your address, the journals of the Legislature of this State, for the years 1840 and 1841. It will afford me much pleasure to forward you such other documents as you may desire. I am anxious that the bond holders, should be possessed of all the facts in relation to the issuance and disposal of the Bonds held by them. Your great experience in commercial affairs, no doubt has made you familiar with the principle that parties contract with reference to the law, and that in a constitutional and free Government every act of a public functionary is merely an exercise of delegated power entrusted to him by the people for a specific purpose, and that his acts are the acts of the people, only while within the powers conferred upon him.

I am gentlemen,

Very Respectfully,

Your ob't serv't

A. G. McNUTT.

Messrs. Hope & Co.  
Amsterdam, Holland.

**NEW BANK BILL.**

On the 20th instant in Committee of the Whole for the House of Representatives, Mr. Sergeant introduced a new bill for establishing a Fiscal Corporation. In its leading features it differs from the Fiscal Bank Bill, rejected by the President.

- 1st.—The capital is to be twenty one millions of dollars, with power to extend it to thirty-five millions, \$14,000,000 to be owned by subscribers and \$7,000,000 by the United States.
- 2nd.—The former bill provided for the establishment of offices of Discount and Deposit; the present bill provides for the establishment of agencies only.
- 3rd.—The dealings of the corporation are to be confined to buying and selling foreign bills of exchange, including bills drawn on one State or Territory, and payable in another. The corporation is prohibited from discounting promissory notes, or making what is called local discounts.
- 4th.—The title of the corporation is to be changed to that of the "Fiscal Corporation of the United States."

On the introduction of this bill Mr. Wise raised the point of order that it was, in the substance, the same as that which had been rejected the day before, and could not therefore be taken up; otherwise the constitutional provision might thus be evaded. The chairman, Mr. Dawson, of Georgia, overruled the objection, on the ground that the measures were not the same, though parts of them might be similar.

In the present state of this matter it would be premature to offer any remarks. We have only to express the hope that such a bank "or corporation" may be established, as will give us a sound and uniform currency,—a consummation most devoutly to be wished.—[Banner.